

EXHIBIT 41

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

CYCLE-CRAFT CO., INC.

d/b/a BOSTON HARLEY-DAVIDSON/BUELL,

Plaintiff,

V.

HARLEY-DAVIDSON MOTOR COMPANY, INC.,
and BUELL DISTRIBUTION COMPANY, LLC,

Defendants.

Civil Action

No. 04 11402 NMG

AFFIDAVIT OF JOHN F. ATWOOD

I, JOHN F. ATWOOD, being duly sworn, do hereby depose and state:

1. I am the President of plaintiff Cycle-Craft Co., Inc. d/b/a Boston Harley-Davidson/Buell ("Cycle-Craft"). I own 83% of the stock of Cycle-Craft. My sister Karen Atwood owns the other 17%.

2. Cycle-Craft is a motorcycle dealer located in Everett, Massachusetts. Cycle-Craft has been run by my family, as a Harley-Davidson dealership, for over 45 years. In 1959, my father, William Atwood, signed the dealership's first Dealer Contract with Harley-Davidson. The dealership was originally located in Roxbury but moved to Everett in 1969. In approximately 1994, we took on a franchise with Harley-Davidson's sister company, Buell Distribution Corp., now known as Buell Distribution Co., LLC ("Buell"). Harley-Davidson and Buell are interrelated companies (and both are referred to collectively as "Harley-Davidson" throughout this document); loss of one dealership automatically results in loss of the other.

3. We sell and service both Harley-Davidson motorcycles, and also sell a comprehensive line of Harley Davidson parts and accessories, as well as a huge range of Harley-Davidson and Buell consumer products (clothing, accessories, novelties). Cycle-Craft does not carry any other line of motorcycle, nor does it carry any line of automobiles. Absent Harley-Davidson products, Cycle-Craft would literally have no business. Cycle-Craft has been a loyal Harley-Davidson dealer through thick and thin. In the 1980s, when Harley-Davidson motorcycles did not enjoy the widespread popularity they do today, my parents worked on the side managing apartment housing, supplementing their income and even infusing the dealership with revenues generated thereby. During those days it was not uncommon that some employees would need to be laid off during the slower winter months.

4. I began working at Cycle-Craft fixing motorcycles when I was ten years old, and worked at the dealership part-time and on vacations throughout high school and college. Over time, my responsibilities increased. My sister Karen and I began running the dealership together in 1991, after our parents passed away. In 2000, Karen retired from active management of the dealership, and I am now primarily responsible for its operations.

5. In 1993, my sister and I realized that Cycle-Craft had more than outgrown its then-current 16,000 square-foot facility on the Revere Beach Parkway in Everett. We therefore began looking for a new location for the dealership. We eventually undertook a massive relocation and renovation project to move Cycle-Craft across the street into a decrepit former paint factory, an eyesore and environmental hazard that had become a magnet for illegal dumping. The project cost \$2.7 million, which we financed with the help of the U.S. Small Business Administration (SBA) and was completed in January, 1998. We loved the new building because it reminded us of Harley Davidson's headquarters in Milwaukee. The BOSTON

GLOBE, among others, publicized our renovation project, increasing the dealership's visibility in the community. See Kathy McCabe, *A Bumpy Ride to the Top – Small Business Award Winners Take a Risk and Turn Contaminated Paint Factory Into a Roaring 'Hog' Dealership*, BOSTON GLOBE, July 14, 1999, at E4, a true and accurate copy of which was obtained from the Infoweb Newsbank online news archive,¹ and attached hereto as Exhibit A.

6. The remodeled building consists of 86,000 square feet and made Cycle-Craft one of the largest Harley-Davidson dealerships in the world. At the same time, we were able to preserve the charm and heritage of the 100-year-old industrial building.

7. At the time of the opening of the new facility, David Ragucci, Mayor of Everett, predicted that it would help revitalize that portion of the Revere Beach Parkway, commenting, "It is a worthwhile investment that can only serve to attract new businesses to our community." His prediction was publicized in the media. See Kathy McCabe, *Bank In Everett Is Branching Out*, BOSTON GLOBE, April 19, 1998, at 11, attached hereto as Exhibit B. Indeed, today the formerly dilapidated portion of the Parkway on which Cycle-Craft sits is a thriving commercial area.

8. The expansion of Cycle-Craft's business, concurrent with our renovation of a formerly abandoned and polluted factory, prompted the Massachusetts chapter of the SBA in 1998 to name Karen and me Small Business Persons of the Year for Massachusetts. At the time, Elaine Guiney, Massachusetts SBA director, was quoted in the BOSTON GLOBE as saying, "Their action catapulted them into a leadership role in the Harley-Davidson [company]. They took over a building and a business that was faltering, and rescued it." Exhibit A at 2.

¹ Unless otherwise noted, all historical newspaper articles appearing as exhibits in computer print-out form were obtained using this online news service.

9. Karen and I were also praised in the media by the president of MassCertified Development Corp., which loaned us the money for the project. “We liked what we saw in [Cycle-Craft]... It was a well-known product – and a family-owned business – with a long history. They were going to renovate an ugly building and create jobs. We felt it was a winner.” *Id.*

10. Jeff Bleustein, chairman of Harley-Davidson’s Board of Directors, visited our building in early 1998 when the remodeling was complete. He told me that the building looked more like Harley-Davidson’s original headquarters in Milwaukee than did Harley-Davidson’s current headquarters.

11. The newly-situated 86,000 square-foot dealership was in fact featured prominently in the 1997 Harley-Davidson Annual Report. The report held up our investment as an example to other Harley-Davidson dealers, commenting, “The skills acquired by dealers each year at Harley-Davidson University, as well as the capital improvements exemplified by the Atwood’s investments, make our dealers the best in the business. The Atwoods’ three-story, 86,000 square-foot facility is an example of that excellence.” The relevant excerpt from the 1997 Annual Report is attached as Exhibit C.

12. The 1997 Annual Report also highlighted Cycle-Craft’s state-of-the-art facilities, noting, “In addition to a 5,000 square-foot showroom, 15,000 square-feet are dedicated to MotorClothes apparel and collectibles, and parts and accessories. The service department has 15,000 square feet, featuring 16 lifts and a fully outfitted dynamometer area.” *Id.*

13. The dealership facility is owned by an entity known as Wood Realty, which is also owned by me and my sister Karen, and leased to Cycle-Craft pursuant to a thirty-year lease.

The dealership pays rent of \$36,000 per month to Wood Realty. The rent represents only a pass-through of debt service and taxes.

14. Cycle-Craft employs over 60 men and women to handle sales, service, finance, parts, accessories and motor clothes. The majority of these employees live in the Everett area, and are motorcycle riders and enthusiasts. Cycle-Craft provides many of these employees with health coverage under Blue Cross/Blue Shield, dental coverage, short and long-term disability insurance, and a savings plan through American Express Financial Advisors.

15. According to recent estimates, Cycle-Craft currently has a net worth of over \$10 million, and in 2003 the dealership realized net sales of almost \$6 million.

16. Cycle-Craft is a very successful dealership for Harley-Davidson. Over the past three or four years, we have sold approximately 700-800 new, and 400-500 pre-owned, motorcycles per year, mostly between April and October. Cycle-Craft has for several years been among the top ten percent of Harley-Davidson dealers nationwide in the purchase of motorcycles, merchandise, parts and accessories, according to Harley-Davidson District Managers. Cycle-Craft has had its annual allocation of motorcycles increased by Harley-Davidson from approximately 250 in the early 1990s to approximately 800 today, and Cycle-Craft has sold 100% of its annual allocation since the early 1990s.

17. Over the decades, Cycle-Craft has been the recipient of the "Bronze Shield" award, conferred by Harley-Davidson to recognize the dealership's superlative performance, as well as "Pegasus" awards, conferred by Buell to recognize the dealership's superlative performance.

18. In 2001, Harley-Davidson awarded Cycle-Craft the United States Police Sales and Service Dealership of the Year award for the eastern region of the country.

19. Even more recently, Cycle-Craft was invited to participate in a dealer incentive trip to Alaska, an honor bestowed only on the top 30 (of over 650) dealerships in the country. This invitation was subsequently revoked, purportedly due to the present controversy. *See* letter dated May 27, 2004 to John Atwood, from Jon Flickinger, attached as Exhibit D.

20. Over the past three years, figures provided verbally to Cycle-Craft by Harley-Davidson indicate Harley-Davidson's market share in the Boston area (where Cycle-Craft is the exclusive dealer) has routinely met or exceeded its market share throughout New England.

21. Due to its commitment to superior service, Cycle-Craft has an extraordinarily loyal customer base. Many customers are second generation customers, and hundreds of them have participated actively in the Harley Owners' Group ("HOG") chapter sponsored by the dealership.

22. In addition to the positive impact on the Everett/Revere Beach Parkway Community that resulted from Cycle-Craft's transformation of an abandoned, polluted paint factory into a state-of-the-art Harley-Davidson dealership and retail outlet, Cycle-Craft is in many additional ways an extremely active corporate citizen.

23. Cycle-Craft sells and leases motorcycles to many area police departments, and several of these departments rely on Cycle-Craft to service their motorcycles as well. Cycle-Craft employs a Police Fleet Sales Manager specifically to handle this significant aspect of its business.

24. Over the years, Cycle-Craft and its affiliated HOG chapter have raised and donated literally hundreds of thousands of dollars to local charitable and civic organization. The dealership sponsors, raises money for and/or holds benefit rides and other events to raise money for multiple local charities, including the Muscular Dystrophy Association, the Susan G. Komen

Breast Cancer Foundation, the Ronald McDonald House, My Brother's Table, the Massachusetts Firefighters' Association, the Everett Cal Ripken Buddy Ball League for Mentally Challenged Children, the American Cancer Society and the local Kiwanis chapter. These charitable efforts have been publicized in the media, increasing the dealership's visibility and presence in the community. *See, e.g.,* Steve Rauchscher, *Biker Benefit Ride Raises Cash For Kids With Cancer*, BOSTON HERALD, July 31, 2000 (9th annual ride raised \$45,000 for Ronald McDonald House), attached as Exhibit E; Anne Martinez, *Motorcyclists Take to the Road to Help - Charity Fund-Raiser Benefits House For Children With Cancer*, BOSTON GLOBE, July 31, 1995, at 16, attached as Exhibit F; Paul Restuccia, *High On Hog At Everett Harley Dealership*, BOSTON HERALD, May 9, 1998, at c14 ("Every year the [Cycle-Craft HOG] chapter sponsors a ride for the Ronald McDonald House, an AIDS children's camp run and the Witch Hunt Ride for Muscular Dystrophy"), attached as Exhibit G; *Harley-Davidson "pitches-in" to Cal Ripken Buddy Ball*, EVERETT ADVOCATE, May 28, 2004, at 11, attached as Exhibit H; true and accurate copy of a press release prepared in connection with Cycle-Craft's HOG group's donation of a check for \$5,000 to the Denise Merrill Advocacy Fellowship of the American Cancer Society, attached as Exhibit I.

25. Cycle-Craft, especially through the efforts of General Manager Ron Buchbaum, has cultivated relationships with local celebrities in an effort to increase the dealership's visibility in the community and to increase not only sales but also the effectiveness of the dealership's charitable and community activities. To give just a few examples, former Boston College and New England Patriot football player Steve DeOssie is president of the HOG chapter; several members of the Boston Red Sox (Johnny Damon, Keith Foulke, Gabe Kapler, Kevin

Millar) have appeared in Cycle-Craft promotions; and Senator John Kerry is a loyal Cycle-Craft customer.

26. Prior to 2004, I do not believe Cycle-Craft was ever reprimanded or sanctioned in any way, or even warned, for any violation of the policy against non-retail sales.

27. On February 17 and 18, 2004, Harley-Davidson conducted an inspection of Cycle-Craft's sales records. This is the first such inspection I ever remember by Harley-Davidson. We gave Harley-Davidson's personnel free access to the dealership, and to approximately 2800 records of motorcycle sales that occurred in the years 2001 through 2003. Harley-Davidson's personnel asked Cycle-Craft's employees to leave the room while they were conducting the inspection, and we did so.

28. I understand that Harley-Davidson is alleging in this dispute that three motorcycles (VINs IHDIFCW4631630589, IHD1PAC25YY951664, and IHDICGP413K431390) were not sold at retail. In fact, I retained those three motorcycles for my personal collection of Harley-Davidson motor cycles. An accurate list of all of the motorcycles currently in that collection is attached as Exhibit J. The three units in question, from Harley-Davidson's 100th anniversary model year, were added to that collection. Cycle-Craft still is in possession of these units, and does not intend to broker or resell these units. They are legitimate, retail sales to Cycle-Craft, executed in full compliance with the non-retail sales policy.

29. At no time prior to Cycle-Craft's receipt of the April 20, 2004 termination letter did Harley-Davidson give the dealership the opportunity to explain or justify the sales that were identified in that letter as the alleged basis for that termination, or to cure any actual violations that might have taken place.

30. If the Cycle-Craft dealership is terminated, my family will lose the benefit of two generations of hard work and calculated risk-taking, and of the millions of dollars in personal family funds, not to mention human capital, that have been invested in the enormous degree of success the business currently enjoys. Personally, I will lose the possibility of some day seeing my children take over the business from me, as my sister and I did from our parents. That hope is at the very center of why my family has run Cycle-Craft with the integrity, drive and commitment that have been the touchstones of our success for nearly half a century.

I declare under penalty of perjury that the foregoing is true and correct.

9/16/05
Date

John F. Atwood
John F. Atwood

EXHIBIT A

~~Star Tribune Online~~ (1980-Current)

[Home](#) > America's Newspapers

[Edit Search](#) [Help](#)

Record 3 of 20

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

Boston Globe

July 14, 1999

A BUMPY RIDE TO THE TOP SMALL BUSINESS AWARD WINNERS TAKE A RISK AND TURN CONTAMINATED PAINT FACTORY INTO A ROARING 'HOG' DEALERSHIP

Author: Kathy McCabe, Globe Correspondent

Edition: Third
Section: Business
Page: E4

Index Terms:
NAME-ATWOOD
NAME-CYCLE CRAFT INC.

Estimated printed pages: 5

Article Text:

EVERETT -- You might call John and Karen Atwood a couple of daredevils.

What else can you say about risky entrepreneurs who stared down a \$2 million environmental cleanup problem with the steely nerve of

Evel Knievel?

The brother and sister team, co-owners of **Cycle Craft Inc.**, Harley-Davidson/Buell of Boston, did just that last year, when they transformed an old paint factory here into the world's largest and one of the country's highest-grossing Harley-Davidson dealerships.

The site of the new 86,000-square-foot showroom on Route 16, long contaminated with lead paint and varnish manufactured there from World War I to the early '90s, now sparkles with Fat Boys, Road Kings, and other legendary "Hogs." Complementing the machines is a spiffed-up line of Harley-Davidson branded merchandise, ranging from bad-boy black leather jackets to baby biker clothes.

The move has put the 40-year-old dealership, formerly located in a cramped facility across Route 16, on the road to breaking \$12 million in sales this year. It also recently earned the Atwoods the lofty title of "Small Business Persons of the Year" from Massachusetts by the US Small Business Administration.

"They're amazing young business owners," said Elaine Guiney, Massachusetts's SBA director, who gave them the award in May. "Their action catapulted them into a leadership role in the Harley-Davidson [company]. They took over a building and a business that was faltering, and rescued it."

The expanded showroom, which opened last spring, helped spike sales and employment to a record high. Overall retail sales have increased 35 percent, while the number of employees has grown to 43 from 27. The number of new units shipped to the dealership has grown to 500 per year, the fourth highest allocation in the world, said Karen Atwood.

Total US sales of new motorcycles jumped to \$3.5 billion in 1998 from \$2.9 billion in 1997, according to the Motorcycle Industry Council. In Massachusetts, sales jumped to \$81.6 million last year from \$67.6 million in 1997, an increase the council attributes to free-spending baby boomers. "When new unit sales took a dip [in the '80s], it was largely because the boomers were establishing their families and careers," said Beverly St. Clair, managing director of the council. "Now they're willing to spend, and are enjoying an outdoor lifestyle more."

The Atwoods, whose parents acquired the business in 1959, are as proud of winning the SBA honor as they are of displaying the prized Harley-Davidson bar-and-shield logo in their new dealership. "We were surprised," said Karen Atwood, 44, chief financial officer. "It certainly wasn't easy for us to get to this point."

Said John Atwood, 41, president and general manager of the business: "We faced a lot of obstacles, but our business was growing and we had nowhere to expand. It [the paint factory] was the only thing we could find that could meet our needs. We had to take the risk."

To finance that deal, the Atwoods secured a \$1.4 million loan from Century Bank and a \$1 million SBA-backed loan from the MassCertified Development Corp., a private financing company in Boston. "We liked what we saw in this company," said Elizabeth Trifone, president of MassCertified. "It was a well-known product -- and a family-owned business -- with a long history. They were going to reactivate an ugly building and create jobs. We felt it was a winner."

But it was a rough ride for the Atwoods, who inherited the dealership after their parents' deaths. Although sales for both new and used Harleys were strong, the dealership had long outgrown the 16,000-square-foot showroom/repair shop in which it had operated since 1969, when it moved to Everett from Roxbury. Bound by busy Route 16 and a residential neighborhood, the business had no room to expand.

"We were maxed out. We couldn't add to our services or expand our inventory, because we had no room to display the motorcycles that we already had," John Atwood said.

A building of at least 40,000 to 50,000 square feet was needed to create enough room to wheel and deal, repair, and repaint new and used machines. But the task of finding such a giant building, at an affordable price, was not easy.

The facility of their dreams, and the start of their worst nightmare, stood across Route 16: the red brick and rotting-wood former Touraine Paints factory. Touraine, once a leading paint manufacturer, closed in the early 1990s and was eventually placed into receivership.

The two-story factory stood vacant, an eyesore that became a magnet for illegal dumping. The property also owed \$397,000 in back taxes to the City of Everett and needed to be cleaned to comply with environmental laws.

Banks wouldn't set foot on the property. One lawyer told the Atwoods not to walk away from it, but "to put on our sneakers and run," John Atwood recalled, standing in the now brightly lit showroom. "It was a nuclear disaster."

And yet the crumbling factory, its walls 4 inches thick with paint and its second floor full of gaping holes, was also the perfect site for the Atwoods. It was diagonally across from the existing dealership, and had ample parking.

Acquiring and cleaning the property was a monumental task. With help from Everett officials, the Atwoods entered an agreement with a court-appointed receiver to acquire the property for \$1 million, the estimated price to clean it up. In lieu of paying back taxes, the Atwoods gave a piece of the property abutting city land to Everett.

But the actual cleanup was twice as costly. Buried beneath the ground were giant tanks filled with lead paint, oil, and other chemicals that had seeped into the ground. Those tanks were stacked piggyback, bringing the Atwoods' environmental problem to \$2 million. Luckily, they had purchased an insurance policy for \$53,000 to cover up to \$1 million of additional cleanup costs.

"That \$53,000 turned out to be the best \$53,000 we ever spent," said John Atwood. "Without the policy, we couldn't have gone through with this."

Since moving, their customer base has grown to about 10,000 consumers, ranging from judges and clergy members to hardcore bikers and weekend warriors, who pay anywhere from \$6,800 to more than \$22,000 for a high-end Harley.

"We serve a bigger population than a lot of other dealerships," said Karen Atwood, who joined the business full time 10 years ago. There is a three-month wait for new and used models. "We keep half our inventory here on the floor for customers to come in and buy. There's nothing worse than walking into an empty showroom. Customers turn away thinking you have no bikes."

Of course, Harley-Davidson/Buell of Boston has also been helped by the roaring comeback of sales for parent Harley-Davidson Inc., whose heavy machines for years suffered from foreign competition from lighter and sportier motorcycles by Honda, Yamaha, Kawasaki, and Suzuki.

On Monday, Harley-Davidson Inc. reported record second-quarter sales of \$608.7 million, an increase of 17.7 percent over the year-ago quarter. The company had total revenues of \$2 billion in 1998, and currently has 625 independently owned dealerships in the United States and 375 worldwide.

"Until the late '80s, Harley was turning out your basic piece of garbage," said John Atwood. "But that's all changed now. They have a higher tolerance, and the engine is better. You no longer need to bring along your tool box when you ride."

The Atwoods are now scouting out locations for an alternate retail outlet, a minidealership

concept rolled out by Harley-Davidson that allows dealers to sell and service bikes in a secondary location. A 24-hour service department is also planned for the Everett facility, and new services, such as winter storage, have also helped boost revenues.

They also operate a Newbury Street boutique that sells everything from leather dresses and jackets, to gloves and helmets, all bearing the company logo. "We know there is a lot of loyalty to the Harley brand," John Atwood said. "I haven't seen anyone with a Honda tattoo.

Caption:

GLOBE STAFF PHOTO/TOM LANDERS/Brother and sister John and Karen Atwood had a rough ride to opening their expanded Harley-Davidson dealership at the site of a former paint factory on Route 16 in Everett.

PHOTO

Memo:

EMERGING BUSINESS

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[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

EXHIBIT B

 (1980-Current)

[Home](#) > America's Newspapers

[Edit Search](#) [Help](#)

Record 8 of 9

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

Boston Globe

April 19, 1998

BANK IN EVERETT IS BRANCHING OUT

Author: Kathy McCabe

Edition: Third

Section: North Weekly

Page: 11

Estimated printed pages: 4

Article Text:

Everett Savings Bank is spreading its wings. The mutual bank, with \$120 million in assets, changed its name last week to "Eagle Bank," as part of a new marketing strategy to position itself for growth beyond its hometown.

"We're very proud of the bank's roots and heritage in Everett," said James Whittaker, chairman and president. "We just want the other communities we serve to feel as though they are equal in our mindset. The name gives us a more generic classification, so all our customers will come to know us as their hometown bank.

Whittaker stressed that the community bank has no plans to leave Everett, its home for 109 years, or put itself up for sale. "We look to remain independent," he said.

The bank worked with a marketing firm to select the name and decided on Eagle as a "representative of strength and integrity," qualities the bank strives to bring to the region's fiercely contested banking industry, Whittaker said.

In Everett, the bank maintains its headquarters and two branch offices. Last year, the bank expanded to neighboring Medford, opening a supermarket branch in a Johnny's Foodmaster supermarket. Two months ago, the bank opened its second supermarket branch at Johnny's Foodmaster in Revere.

Whittaker said the bank plans to expand further, most likely north and west of Everett. "We don't see ourselves hopscotching over the city of Boston. We see our opportunities closer to Everett," he said.

As part of its growth plans, the bank also plans to roll out new consumer banking products, such as telephone and PC-based banking and increased ATM access. Residential mortgage

and small business lending programs are also poised for growth as "Eagle," spreads out. "We are not trying to cater to the needs of large commercial businesses. We know our niche," Whittaker said.

Lynn becomes a 3-paper town

Billing itself as an "All Lynn Newspaper," the Lynn City Times, a startup weekly, is positioning itself as an alternative to the city's two other newspapers, the Daily Evening Item and the Sunday Post.

"We felt there were stories about Lynners that people were missing," said the owner and editor, Robin Connolly. "We don't cover anything outside the city. Lynn is entirely our focus."

Although it aims to present a realistic account of events, the paper places most of its emphasis on positives stories about the public schools, senior citizens, and local businesses, Connolly said.

"A lot of negative things get printed about Lynn. They might be true, but there is a whole core group of productive, positive people whose stories should be told," she said.

Connolly, a lifelong Lynn resident, is the former lifestyle editor of the Sunday Post, a longtime weekly newspaper published every Sunday. She left the paper a few years ago after it was sold to Community Newspaper Co.

A former Lynn school teacher, Connolly invested her own money to start the Lynn City Times. She has leased office space on Western Avenue and relies on a small staff of seven writers, photographers, and editors to publish the paper each Thursday.

The paper is printed by the Journal Transcript Co. of Revere, publisher of the Revere Journal and the Chelsea Record. Now on its seventh edition, the Lynn City Times has a circulation of 7,500 and is distributed free at 84 retail stores throughout the city.

"It's going to work because we are all working very hard at it," Connolly said. "We are all from Lynn. We know and love the city."

Everett revs up for a Harley store

Harley-Davidson/Buell of Boston will mark the grand opening of its new dealership/retail store in Everett on Saturday and Sunday with a weekend of activities, including a daredevil motorcycle stunt.

The business, believed to be the largest Harley-Davidson dealership in the world, will host an opening bash at 8 p.m. on Saturday. The private function is expected to attract Harley owners and invited motorcycle enthusiasts from around New England.

But the biggest show is planned for the public on Sunday at 2 p.m., when Bubba Blackwell, the official Harley-Davidson Daredevil, will try to set a world record by jumping over 20 cars in front of the dealership on the Revere Beach Parkway (Route 16).

"Class will be brought back to the motorcycle thrill show with a world record motorcycle jump

on a real motorcycle," said John Atwood, co-owner of the dealership with his sister, Karen.

The Atwoods, whose parents bought the franchise in 1959, moved the dealership in January from cramped quarters on the parkway to a new 86,000-square-foot showroom built in the former Touraine paint factory. The expanded facility has enabled the dealership to carry a bigger line of "Hogs," as Harley-Davidsons are known, trademark motor clothes, and to add new services, such as winter storage.

Everett Mayor David Ragucci said the new dealership should help attract other new development along a high-traffic parkway. "It is a worthwhile investment that can only serve to attract new businesses to our community," he said.

Salem to honor a big benefactor

The Caroline Emmerton Week kicks off in Salem tomorrow, the first of five days of celebrations to honor the city's famed philanthropist, who founded the House of Seven Gables Settlement Association in 1908.

In her honor, the city's many museums and historic sites are offering admission to Salem residents for just 25 cents. The Salem Trolley is charging \$1 for rides, while admission to the Peabody Essex Museum is free.

Although she lived in the early 20th century, Emmerton's legacy lives on. In 1908, she purchased and restored the Turner-Ingersoll Mansion, featured in Nathaniel Hawthorne's "The House of Seven Gables," and opened it to the touring public. Proceeds from tours were used to fund social programs for newly arrived immigrants at the House of Seven Gables Settlement House, which still operates on Derby Street.

On an unrelated front, the city's efforts to promote its cultural assets got a boost from the Massachusetts Office of Travel and Tourism. The state agency awarded the city's new Office of Business Development and Tourism a \$5,000 grant to produce 60-second television commercial to tout Salem tourist attractions.

Businesswomen are celebrated

Businesswomen in Malden will be saluted on Wednesday when the Malden Chamber of Commerce hosts its annual Administrative Assistant/Secretary Appreciation Day Luncheon, at Anthony's Function Hall on Canal Street.

Joyce Kulhawik, entertainment reporter at WBZ-TV, will be the featured speaker at the event, which is scheduled for noon. The chamber will also present its annual Secretary of the Year Award.

WHO'S WHAT WHERE

Seymour Smith of Rockport has been named vice president for development at Spaulding Rehabilitation Hospital in Boston. She formerly was the director of development.

Day Ann Kelley of Beverly has joined Danvers Savings Bank as an assistant vice president in the small business lending division. She is a graduate of Babson College.

America's Newspapers: Document Display

Page 4 of 4

Memo:

NORTH WEEKLY / BUSINESS NOTEBOOK / KATHY McCABE

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Record Number: 9804210408

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

EXHIBIT C



Building and maintaining the relationships that make the Harley-Davidson experience unique and our business successful is a big part of what we are all about. Pure and simple, these relationships are a competitive advantage for Harley-Davidson. Some see the competitive advantage in the thousands of demo rides our employees provide to potential new customers every year. Others see it in the sense of community created by our H.O.G. rallies. No matter where you look, we have developed long-lasting relationships that produce positive results for everyone touched by Harley-Davidson.

How do these relationships equate to a competitive advantage?

DEALERSHIP RELATIONSHIPS

THE AMERICAS There are 595 Harley-Davidson dealerships in the United States and 41 MotorClothes apparel and collectible retail stores. In 1997, 35 dealerships were relocated; 71 dealerships were modernized and/or expanded, 6 new dealerships and 11 new apparel and collectibles retail stores were added to the U.S. network. In Canada, there are 76 Harley-Davidson dealerships serviced by our independent Canadian distributor, Fred Deeley Imports. In Latin America and Mexico, there are 16 dealerships and 7 MotorClothes apparel and collectible retail stores.

EUROPE/MIDDLE EAST/AFRICA There are currently 305 Harley-Davidson dealerships in the European Region, up from 253 dealerships in 1996. Growing our business in the European Region means helping our dealers there develop relationships with new customers. In 1998 we will introduce two new motorcycle models for this market, specifically designed to appeal to the preferences of European cruiser motorcycle riders. Saudi Arabia and Oman were established as new markets in 1997.

ASIA/PACIFIC Building relationships like the one above between Tokyo dealership manager Masatoshi Ohtsubo and his customers is one of the keys to expanding Harley-Davidson's business in the Asia/Pacific region. There are currently 43 authorized dealers and 77 smaller "Live to Ride" shops serviced by our Japanese subsidiary. There are also 55 dealers in Australia and New Zealand that are serviced by three independent distributors, and direct dealers in Malaysia, Singapore, Taiwan and Thailand.

SUPPLIER RELATIONSHIPS More than 250 of Harley-Davidson's largest suppliers gathered with us at our annual supplier conference to share a vision of

growing together. Through these meetings, our Supplier Advisory Council and other efforts such as regular visits to suppliers by senior management, we have been successful in continuously reducing costs and increasing quality.

FAMILY RELATIONSHIPS Since the beginning of the Harley-Davidson Motor Company in 1903, there have always been Davidson family members involved in the business. Many other families are also represented within the ranks of employees, like Alvin Burnett and his daughter Lynn Rhody, both of Tomahawk.

EMPLOYEE RELATIONSHIPS Together, all of our employees across the company are working to grow our business by delivering continuous improvements and first-rate quality. Harley-Davidson and our union partners have developed long-lasting relationships to ensure our continued success. For example, last year the company and Lodge 175 of the International Association of Machinist and Aerospace Workers ratified a progressive long-term operating agreement for York. Like all employees in every part of our business, Bill Dannehl, General Manager of York Operations, and Harry Smith, President of IAM Lodge 175 (bottom left), "walk the talk".

RELATIONSHIPS THAT LAST A LIFETIME A special kind of camaraderie marks our Harley Owners Group rallies and other motorcycle events. At events and rallies around the globe, members of H.O.G. come together for fun, adventure and a love of their machines and the open road. As the largest motorcycle club in the world, H.O.G. offers our customers organized opportunities to ride. H.O.G. rallies and events visibly promote the Harley-Davidson experience to potential new customers and strengthen the relationship between members, dealers and Harley-Davidson employees.

MEMBER INVOLVEMENT A member of H.O.G. for several years, Mary Grace Grivet of Louisiana decided last year to become a leader in her local H.O.G. chapter. She paid her own way to Daytona Beach where she spent a full day in primary officer training class. "My husband and I enjoy H.O.G. so much that I wanted to be even more involved in the organization. As a primary officer, my duties will include helping to run the chapter for our members, setting and creating the right kind of environment so our members can enjoy motorcycling, and making the most of the relationship between our chapter and our dealer. It's going to be a lot of work, but it's also a lot of fun."



H.O.G. SPONSORED EVENTS In 1997, U.S. national rallies were held in Portland, Maine; Oklahoma City, Oklahoma; and Portland, Oregon. There were two touring rallies and 46 state rallies in the U.S., and H.O.G. also participated in events at Daytona and Sturgis Bike Weeks, factory open houses and numerous motorcycle races. Internationally, H.O.G. held rallies in Norway, France, Japan, Canada, Australia, New Zealand, Brazil and Mexico. There were also five state rallies in Australia, two provincial rallies in Canada, four touring rallies in Europe and one touring rally in South Africa.

H.O.G. MEMBERSHIP Any Harley-Davidson motorcycle owner can become a member of H.O.G. In fact, the first year of membership is included with the purchase of a new Harley-Davidson motorcycle. The number of H.O.G. members has grown rapidly since the motorcycle organization began in 1983 with 33,000 members in the U.S. and Canada. Currently, there are 380,000 H.O.G. members worldwide in more than 100 countries. Sponsorship of H.O.G. chapters by Harley-Davidson dealers has grown from 49 chapters in 1985 to 988 chapters at the close of 1997. Worldwide membership renewal increased to 71 percent in 1997.

A SNAPSHOT OF H.O.G.

Worldwide Members	380,000
Worldwide dealer-sponsored chapters	988
Countries with members	105
Worldwide rallies	70
Worldwide attendance at rallies	127,000
Miles logged by members attending U.S. rallies and events	41 million

DEALERS AND CUSTOMERS Creating Harley-Davidson enthusiasts for life is more than a business proposition — it's about trust and dependability, about continually providing the best in motorcycle sales, parts and accessories, merchandise, service and advice. That's the goal every Harley-Davidson dealer has with each customer. We manufacture the most admired motorcycles and provide high-quality products and services so dealers like John and Karen Atwood at Harley-Davidson/Buell of Boston can use their superior retail operations to develop long-term relationships with our customers that keep them coming back for more.

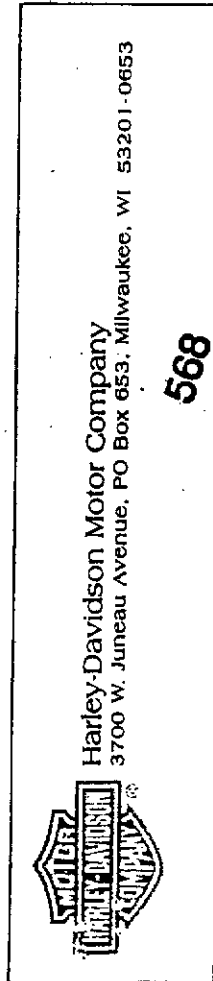
THE DEALERSHIP EXPERIENCE Harley-Davidson dealerships are the envy of the motorcycle industry. The skills acquired by dealers each year at Harley-Davidson University, as well as the capital improvements exemplified by the Atwoods' investments, make our dealers the best in the business. The Atwoods' three-story, 86,000-square-foot facility is an example of that excellence. In addition to a 5,000-square-foot motorcycle showroom, 15,000-square-feet are dedicated to MotorClothes apparel and collectibles, and parts and accessories. The service department has 15,000-square-feet, featuring 16 lifts and a fully outfitted dynamometer area. The family dealership was started by the Atwoods' parents in 1959. "One of the most important lessons our parents taught us was to treat our customers well," John said. "We believe in this, our employees believe in it, and our dealership is designed to do just that."

[RETURN TO TOP](#)

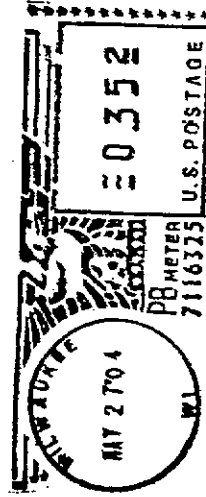
[[Home](#) | [Leadership](#) | [Confidence](#) | [Relationships](#) | [Passion](#) | [Value](#) | [Reunion](#)]



EXHIBIT D



PRESORTED
FIRST CLASS



Mr. John Atwood
Cycle-Craft Co., Inc.
1760 Revere Beach Parkway
Everett, MA 02149



Harley-Davidson Motor Company, 3700 West Juneau Ave., PO Box 653, Milwaukee, WI 53201 414/342-4680

May 27, 2004

Mr. John Atwood
Cycle-Craft Co., Inc.
1760 Revere Beach Parkway
Everett, MA 02149

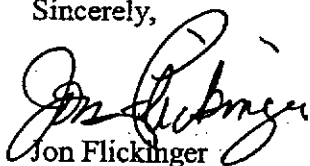
Re: Dealer Incentive Trip – 2004 Model Year

Dear Mr. Atwood:

This will respond to your inquiries regarding the 2004 Model Year dealer incentive trip. In order to qualify for an award under program rules, a dealer "must . . . be in good standing throughout the program period and at the time of the trip. . . ." As you are aware from our notice to you dated April 20, 2004, we have determined that your dealership has violated its Dealer Contract by falsifying sales reports to Harley-Davidson and related records and, for these reasons and those more specifically contained in my April 20 letter, Harley-Davidson has exercised its contractual right of termination of the Dealer Contract. As a consequence, your dealership is no longer "in good standing" and is therefore ineligible for awards under the program.

Should you have any questions or wish to discuss these matters, please let me know.

Sincerely,



Jon Flickinger
Vice President
North American Sales and Dealer Services

JF04048

EXHIBIT E

America's Newspapers: Document Display

Page 1 of 1



[Home](#) > America's Newspapers

America's Newspapers

[Edit Search](#) [Help](#)

Record 2 of 20

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

Boston Herald

July 31, 2000

Biker benefit ride raises cash for kids with cancer

Author: STEVE RAUCSCHER

Edition: ALL

Section: News

Estimated printed pages: 1

Article Text:

A legion of leather-clad bikers converged on the **Cycle Craft** motorcycle shop in Everett yesterday morning and set off on a 50 mile ride through the Bay State to benefit the Boston Ronald McDonald House.

The 3,000 plus riders, complete with a police escort made up of officers from 70 Massachusetts police departments, each paid \$15 to participate in the 9th Annual "HOGin the Road for Charity" ride, which wound its way from Everett to Maynard through Westwood, Brookline, Wayland and Sudbury.

"We had a wonderful run," said event organizer Chuck King, director of the Boston chapter of the Harley Owners Group, or HOGs.

The event raised more than \$45,000 dollars for the Boston Ronald McDonald House, which houses families of children undergoing treatment for cancer. This year's ride was the largest so far.

"We do it for the kids," said King. "For the kids and their families."

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Record Number: BNH07310021

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

EXHIBIT F

America's Newspapers: Document Display

Page 1 of 3

The Boston Globe (1980-Current)

[Home](#) > America's Newspapers

[Edit Search](#) [Help](#)

Record 55 of 82

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

Boston Globe

July 31, 1995

MOTORCYCLISTS TAKE TO THE ROAD TO HELP CHARITY FUND-RAISER BENEFITS HOUSE FOR CHILDREN WITH CANCER

Author: Anne Martinez, GLOBE CORRESPONDENT

Edition: THIRD
Section: METRO
Page: 16

Index Terms:
CHARITY

Estimated printed pages: 3

Article Text:

They came 5,000 strong, riding their motorcycles for charity, but many expressed concern about the events Saturday that left one motorcyclist hospitalized and another one dead. "What happened Saturday has nothing to do with us," said Lenny DeModena, president of the Boston Chapter of the Harley Owner's Group, or HOG, which sponsored the ride yesterday to benefit the Ronald McDonald House in Brookline. "It's just a coincidence that it happened the day before our charity ride."

The house, which serves the Longwood Medical Area in Boston, is one of more than 160 Houses worldwide that offer home-style lodging for families with children being treated for cancer at local hospitals.

Representatives of the State Police and the Weymouth and Braintree departments drew a distinction between the motorcyclists who attended the rally and the ones who may have been involved in violence elsewhere Saturday.

Just one day after a man was shot on Route 3 in Braintree and William Michaels, 45, of Londonderry, N.H., was killed in a car collision -- which police have classified as a homicide -- thousands of bikers from along the East Coast and Canada convened for the Fourth Annual Ronald McDonald **Harley Ride Day**.

"We're just here for a good cause and nothing else," said Kim Kastle, treasurer of HOG's Boston chapter. "We're just not into that kind of stuff that happened Saturday."

Several hundred members of Boston's HOG chapter gathered at 9:30 a.m. yesterday in **Everett**, and were escorted by police to the Westwood train station near Route 128, where they joined thousands of riders from other **Harley** chapters.

From the train station, the more than 5,000 motorcyclists traveled north on Route 128, east onto Route 9, completing their ride at the Brookline police headquarters on Washington Street.

Almost 100 police officers from 36 cities, in addition to State Police, assisted in the charity ride.

Police Chief Ned Merrick of the Plainville department said security was not increased at yesterday's charity ride.

Maynard police, however, reported having additional police officers patrol the area of a rod and gun club on Waltham Street and Old Mill Road where the thousands of bikers gathered after the charity ride.

Susan Hiniker of Bedford and her husband joined the band of riders at Cycle Craft in **Everett** early yesterday morning, leaving their three children at home with a babysitter.

"This is my alter ego," said Hiniker, sporting a gray **Harley** Davidson tank-top, jeans and combat boots. "It's my excuse to dress alternative."

Hiniker said she left her minivan at home to rev up her 1994 aqua **Harley** Davidson low-rider.

Joe Chiccarelli, 25, of Lexington, has been riding motorcycles most of his life. At six years old, he said, his father bought him his first small dirt bike. He since has had several dirt bikes and now owns his second **Harley** motorcycle, a brand considered a Cadillac among cyclers.

"Motorcycles give you a rush," Chiccarelli said. "They're just amazing."

For many of the riders like Hiniker and Chiccarelli, yesterday marked their first Ronald McDonald benefit ride. For others, the ride is an annual event they don't miss.

"I remember that our first ride three years ago only had about seven bikers," Michael Saragosa, public relations officer for HOG's Boston chapter, said.

Last year, the benefit ride raised more than \$14,000 for the Ronald McDonald House. Ride organizers said they expected to double that amount this year.

Bonnie Cope of South Bend, Ind., has been staying at the Ronald McDonald House in Brookline for the past three weeks, while her 8-year-old son, Michael, receives radiation treatment at Brigham and Women's Hospital.

"It really is like a home away from home," Cope said.

Caption:

GLOBE STAFF PHOTO/LANE TURNER / Thousands of motorcyclists converge on Washington Street in Brookline yesterday during a fund-raising ride to benefit the Ronald McDonald House.
PHOTO

America's Newspapers: Document Display

Page 3 of 3

Copyright 1995, 1998 Globe Newspaper Company
Record Number: 00213121

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

EXHIBIT G



America's Newspapers

[Edit](#) [Search](#) [Help](#)

Record 4 of 20

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

Boston Herald

May 9, 1998

AUTOMOTIVE

High on hog at Everett Harley dealership

Author: PAUL RESTUCCIA

Edition: ALL

Section: aut

Page: c14

Estimated printed pages: 4

Article Text:

The recent grand opening of the new Harley-Davidson/Buell dealership in Everett was nothing short of "HOG" wild. There was a parade of Harleys from the General Edwards Bridge in Lynn and later the world-record jump of daredevil Bubba Blackwell, who leaped 20 cars on an XR-750, breaking Evel Knievel's Harley world record.

The 86,000-square-foot dealership, converted from a former Touraine Paint factory on the Revere Beach Parkway, is now the world's largest Harley-Davidson dealership. It stands across the road from its former 15,000-square-foot home, **Cycle-Craft**, originally founded in 1959 by Bill and Kitty Atwood to sell Harley motorcycles and Chris Craft boats. When both died in the early '90s, their son John and daughter Karen took over the business. Converting the old paint factory to a bike dealership required an extensive owner-financed cleanup of a "brownfield" site the City of Everett was eager to redevelop.

John worked at **Cycle Craft** as a "kid in diapers" and joined the service department full time in 1977 before returning to UMass-Amherst to get a degree in mechanical engineering. He wasn't sure which way to go after graduation because at the time Harley-Davidson was not doing well. But he knew he wanted to work with his hands and decided to join the family business as a career. As a show of faith in Harley-Davidson, he bought company stock in 1986, well before its meteoric rise.

"When my parents ran the business it was more of a motorcycle shop," John says. "Now it's also a merchandise business. I tried to give the retail area a factory look rather than making it look like Filenes so that it attracts all kinds of bikers."

The Harley mystique has grown far beyond the coterie of leather-clad, iconoclastic riders to embrace business executives, movie stars and average families. With 12,000 square feet of

space in the new retail area, open seven days a week, the merchandise available for Harley aficionados is staggering. They sell everything from custom accessories to all types of motorclothes: jackets, caps, jeans and T-shirts. And in addition to glasses, watches and lighters, there's Harley bibs, toddler wear and beanie babies, a Harley version of Monopoly, Harley train sets and even a locally written children's book called "Patrick Wants to Ride," featuring drawings of the old Cycle-Craft showroom. Unlike its bikes, not all the retail merchandise is American made, but it does meet Harley-Davidson's standards for high-quality craftsmanship.

For those who still feel intimidated coming to the dealership for Harley merchandise, motorclothes and accessories are also available at the Back Bay Harley-Davidson shop on Newbury Street, says co-owner Karen Atwood. She joined the family business in 1989 after a 13-year stint as a data center manager at Wang Laboratories.

"Most people who work here have ridden for years and turned their hobbies into careers," she says of a staff that ranges from clean-cut salesmen in polo shirts to bearded guys wearing traditional leather jackets bedecked with pins.

The expanded Everett facility not only created more retail space but also significantly enlarged the showroom, which can display 35 bikes, everything from Harley's popular Road Kings and Fat Boys to Buell racers. The new service department has 18 new hydraulic lifts, and a vastly expanded parts area has a large collection of hard-to-find parts, such as special screws, covers, '63 sportster cases, wheels, shocks and gas tanks.

"Our selection of parts is challenged by no one," says Joe Farnham, the dealership's parts manager. "We've got things going back to the '30s and '40s models."

The dealership is allocated around 450 bikes a year to sell within its territory that covers inside Route 128. Used Harleys can be more expensive than new ones due to scarcity of some desired models.

"Some enthusiasts feel that yuppies are buying up a lot of the available machines, which is somewhat true," John Atwood says. "But people don't have to wait years for a Harley. Even the most popular models are available within six months." hope Buell riders will eventually move up to Harleys.

"But the most significant change in the past few years is the change in the customer base. We have more white-collar riders, sports people and movie stars. The percentage of female drivers has doubled and is now up to 12 percent."

The showroom has on display about a dozen rare and old model bikes belonging to John Atwood, including one of only three Evel Knievel stunt bikes in existence, the one the daredevil crashed at Wembley Stadium in England. A more sentimental favorite is the so-called "Bitza Bike," built by John and Karen's dad, Bill Atwood, the first drag bike to use the frame for gasoline storage and fashioned out of "bits of" cycle parts.

The dealership sponsors the Boston chapter of the Harley Owners Group (HOG), an organization with about 800 members, half of them active, and donates a 4,000-square-foot meeting room and the 35,000-square-foot rooftop balcony for biweekly chapter meetings.

"There are some weekend warriors, but many are hardcore riders," says member Brendan Flynn of the chapter, which includes a growing number of "Ladies of Harley." Every year the chapter sponsors a ride for the Ronald McDonald House, an AIDS children's camp run and the Witch Hunt Ride for Muscular Dystrophy.

"My parents would never have dreamed that all this would ever be possible," Karen says of the new facility and the increased popularity of Harley-Davidson.

Photo Caption: HALE AND HARLEY: Co-owner John Atwood inside the world's largest Harley-Davidson dealership in Everett. Staff photo by Brian Walski

Caption:

HALE AND HARLEY: Co-owner John Atwood inside the world's largest Harley-Davidson dealership in Everett. Staff photo by Brian Walski

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Record Number: BNH05090015

[E-Mail](#) [Text Only Display](#) [List](#) [Prev](#) [Next](#)

EXHIBIT H

Harley-Davidson "pitches-in" to Cal Ripken Buddy Ball



PLAY BALL: Boston Harley-Davidson/Buell General Manager Ron Buchbaum (holding baseball), along with Ken McPhee, Director of Operations and Jim Mitchell, Promotions Manager are shown with the "Road Kings" of the Buddy Ball

Challenger Baseball League opening ceremonies on Sunday at Edith Street Park. Shown at right, Boston Harley-Davidson GM Ron Buchbaum and the team mascot, a Harley-Davidson

Road King custom motorcycle, chats with some proud teammates of the "Road Kings." See next week's Everett Advocate for a story and pictures on Everett's newest baseball league.

(Advocate photo)



When an Accident occurs

EXHIBIT I

Boston H.O.G. Chapter donates check to American Cancer Society

Annual Fashion Show & Fundraiser honors late H.O.G. member, Denise Merrill

Tuesday, October 30, 2003 marked another proud, yet, solemn occasion for the Harley Owners' Group (H.O.G.) members of Boston Harley-Davidson/Buell as Robin Kennedy, the dealership's Motor Clothes Manager and Ladies of Harley President, presented a check from proceeds raised at last year's Annual Boston Harley-Davidson/Buell Fashion Show to benefit the Denise Merrill Advocacy Fellowship of the American Cancer Society.

Diana Merrill, mother of the late Denise Merrill, members of her family as well as American Cancer Society members, was presented the check of \$5,000 by Kennedy who remarked on the HOG chapter's enthusiasm to raise money for one of their own. Denise, who died battling breast cancer over two years ago, was a member of the Boston HOG and a motorcycle enthusiast.

On Saturday, November 1, 2003, from 7:00 to 11:00 pm, the 4th annual Breast Cancer Fundraiser & Fashion Show will once again take place at Boston Harley-Davidson's HOG Room, where hundreds of members will turn-out for a fun-filled celebration of Denise's style and spirit. From door prizes, food, music and silent and live auctions, the event will once again show that bikers have the biggest hearts. Tickets are \$15. and are available at Boston Harley-Davidson/Buell.

For more information, call Robin Kennedy at 617-389-8888. Raffle and auction items are always welcome!

EXHIBIT J

JOHN ATWOOD'S MOTORCYCLES

[illegible]

